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C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 000278

STPDTS

NEA FOR FRONT OFFICE AND IPA; NSC FOR SHAPIRO/PASCUAL

E.O. 12958: DECL: 02/12/2019 TAGS: <u>PREL PGOV KWBG KPAL IS</u>

SUBJECT: ISRAELI ELECTIONS LEAVE PALESTINIANS PESSIMISTIC

ABOUT PEACE PROCESS

Classified By: Consul General Jake Walles for reasons 1.4 (b) and (d).

11. (C) Summary. Palestinian political leaders, in conversations on February 11-12, expressed dismay over the results of Israeli elections. Most predicted a rightist bloc would form the next government of Israel with Benjamin Netanyahu as its prime minister. Several predicted a Netanyahu-led government would disengage from the peace process. They suggested that Palestinian participation in negotiations be conditioned on the new GOI's willingness to adhere to previously established principles for the peace process, and to adopt a settlement freeze. End Summary.

Senior PLO Leadership

- 12. (C) PLO Secretary General Yasir 'Abd Rabbo told press "it is obvious that Israel will not get a government capable of continuing the negotiations... (and) for us, we rule out any negotiation with the next Israeli government, irrespective of who leads it, if it doesn't announce the complete halt of settlement activity." 'Abd Rabbo told the Consul General in a meeting on February 12 that he expects the government will be headed by Netanyahu and noted that the Palestinians had a difficult experience with Netanyahu before. He predicted a crisis early on, most likely about E1, but, if not, certainly about something else.
- 13. (C) PLO Chief negotiator Sa'eb Erekat said publicly, "it is obvious the Israelis have voted to paralyze the peace process." Erekat told the Consul General on February 11 that the Israeli electoral outcome was the "worst case scenario." He said only Netanyahu can put together a coalition, but it is not likely to be stable of long-lasting.

Fatah Grassroots Leader

14. (C) Fatah grassroots leader Qaddura Faris told PolSpec that Palestinians must respond to the Israeli election by forming a national unity government. Faris said he hopes that the PA will condition its participation in peace talks on the new GOI's willingness to engage in a credible peace process. He predicted that a right-wing Israeli government could lead to the destabilization of the PA and the region, unless the U.S. applies pressure to resume a credible peace process.

Small Party Representative to PLO

15. (C) PLO Executive Committee member (Palestine Democratic Union (FIDA)) Saleh Ra'fat told PolSpec that he doubts any Israeli government will be able to serve a full term. He predicted a right-wing coalition that would stall the peace process and "we are (even) likely to lose the process itself." Ra'fat said the U.S. and the international

community boycotted a Hamas-led government that did not accept the peace process, and, while he does not "realistically" expect a boycott of an Israeli government opposed to the peace process, he hopes the U.S. will endeavor to "revive" the process.

Independent Gaza-based PLC Member

16. (C) Gaza-based independent PLC member Riad al-Khudari told PolOff that Gazans are "watching and waiting" to see the shape of the new Israeli government, but that the elections reflect the instability of the Israeli system, which has too many small parties and does not enable the government to make difficult decisions. He said he expects Netanyahu to lead an "extremist" government that would ignore the negotiating process and increase restrictions on Palestinian access and movement. Gazans were encouraged by President Obama's election, he said, but that hope has since faded.

Former Fatah Mayor of Gaza City

17. (C) The former Fatah mayor of Gaza, Majid Abu Ramadan, told PolOff that Kadima's anticipated plurality surprised him, but that the election results were otherwise as expected. Abu Ramadan said he saw few differences among the potential heads of a coalition government. He said Livni might negotiate with the PA, but neither she nor Netanyahu would make "real change on the ground." He said the growth of Israel's extreme right-wing encourages growth of Palestinian extremists in a "vicious cycle".

JERUSALEM 00000278 002 OF 002

WALLES